

Alan F. Ciamporero  
Senior Counsel

1275 Pennsylvania Avenue, N.W.  
Suite 400  
Washington, DC 20004  
(202) 383-6416

PACIFIC  TELESIS  
Group

RECEIVED

JUN - 2 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

RM 8491

June 2, 1994

William F. Caton  
Acting Secretary  
Federal Communications Commission  
Mail Stop 1170  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: Petition for Relief of Center for Media Education,  
Consumer Federation of America, Office of Communication  
of the United Church of Christ, National Association for  
the Advancement of Colored People, National Council of  
La Raza.

Dear Mr. Caton:

This letter responds to and opposes Petitioners May 23, 1994 informal request for relief. Petitioners' conclusion is patently wrong. Pacific Bell has not engaged in electronic redlining. To the contrary, Pacific Bell is committed to providing advanced telecommunications facilities and services, including video dialtone, to all California customers. We intend to upgrade our facilities statewide to serve 1.5 million homes by the end of 1996, 5 million homes by the year 2000 and, by 2010, the advanced telecommunications network will reach all of our customers. But we cannot build everywhere at once.

If Petitioners had asked, we would have shared our plans and studies demonstrating that our initial deployment will serve a representative mix of Californians. Our deployment plans for the next two years will bring video dialtone services to Californians who generally approximate the income and racial diversity of the state as a whole. Our initial construction will begin in four areas but we plan to expand quickly into contiguous areas. We do not plan to "skip over" areas. Unlike other proposals, we will be upgrading our entire statewide network to provide advanced telecommunications services, including improved telephony services. Video dialtone will be only one of the services available. Our planning and the related deployment are driven by the commitment to provide these advanced services to all California customers. The initial deployment clusters and geographic areas described in our Section 214 Applications reflect that commitment.

On the other hand, we have also pledged not to raise basic residential rates to fund construction. Our deployment plans must permit us to honor that commitment and introduce commercially viable services. We expressly considered five criteria in our deployment strategy: provision of service to all Californians; the competitive environment; existing infrastructure; demand for services; and engineering efficiencies. These criteria will continue to guide us and will permit us to provide advanced services to all California customers by 2010.

Petitioners' conclusions rely on a study by Dr. Mark N. Cooper. Dr. Cooper claims his analysis shows a clear pattern of redlining. Based on rudimentary information, Dr. Cooper concludes that areas that are predominately lower income and minority have not been provided for in video dialtone proposals, with the consequence that there will be a failure to serve the lowest income areas. First, Dr. Cooper's study of the Pacific Bell Applications is fundamentally flawed by his failure to include California's Asian residents. Asians make up a significant group of Californians.

In addition, it is impossible to evaluate the validity of his conclusions because Dr. Cooper fails to provide sufficient explanation of his methodology. For example, what was the effect of using different comparison areas -- the San Diego served area is compared with the rest of that CMSA but Orange County and the South Bay served areas are compared with entire counties? What areas were included (or excluded) from the category of "unserved" areas for this analysis? What levels of differences between served and unserved areas would be significant? Even more significantly, Dr. Cooper entirely omits any analysis of our plans for Los Angeles, California's most populous city.

Pacific Bell endorses the Commission's concept of universal service for video dialtone. We too wish to avoid an "information rich -- information poor" society. For that reason, independent of our video dialtone applications, this Spring we said that we will provide all public schools, libraries and community colleges with connections for computer communications and videoconferencing by the end of 1996. With approval from the California Public Utilities Commission, we will wire locations within each institution for video and data applications, install service for free and waive the usage charges for one year after installation. We will also work with the CPUC to develop a special educational access rate that will help ensure universal telecommunications service for educational institutions.

Pacific Bell supports the Commission's video dialtone goals, including the availability of video dialtone facilities to all, regardless of income, race or ethnicity. We believe our deployment plans reflect our commitment to provide advanced

telecommunications facilities for the benefit of all Californians. Petitioners have not supported their conclusions as to Pacific Bell or justified the requested relief. The Commission should decline to act on the Petition. If, however, the Commission decides otherwise, the analysis of Pacific Bell's plans should be statewide, given the statewide nature of our network upgrade. Reviewing Pacific Bell's statewide deployment plans at the wire center or local area level would be unreasonable.

*Dean F. Frazier*

cc: Service List

CERTIFICATE OF SERVICE

I, Chuck Nordstrom, hereby certify that copies of the foregoing "REPLY LETTER OF PACIFIC BELL " Re: Petition for Relief From Unjust And Unreasonable Discrimination In The Deployment Of Video Dialtone Facilities filed by Center for Media Education et al were served by hand or by first-class United States mail, postage prepaid, upon the parties appearing on the attached service list this 2nd day of June, 1994.

BY: Chuck Nordstrom  
Chuck Nordstrom

PACIFIC BELL  
140 New Montgomery Street  
San Francisco, CA 94105

SERVICE LIST

Reed E. Hundt\*  
Chairman  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 814  
Washington, D. C. 20554

Andrew C. Barrett\*  
Commissioner  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 826  
Washington, D. C. 20554

James H. Quello\*  
Commissioner  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 802  
Washington, D. C. 20554

Gerald P. Vaughan\*  
Deputy Chief  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 500  
Washington, D. C. 20554

Gregory J. Vogt, Chief\*  
Tariff Division  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 518  
Washington, D. C. 20554

Donna Lampert\*  
Common Carrier Bureau  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 545  
Washington, D. C. 20554

Greg Lipscomb\*  
Common Carrier Bureau  
Federal Communications  
Commission  
2025 M Street, N. W.  
Room 6008  
Washington, D. C. 20554

Olga Madruga-Forti\*  
Acting Chief  
Federal Communications  
Commission  
2025 M Street, N. W.  
Room 6008  
Washington, D. C. 20554

James D. Schlichting\*  
Common Carrier Bureau  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 544  
Washington, D. C. 20554

Todd F. Silbergeld\*  
Common Carrier Bureau  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 544  
Washington, D. C. 20554

\* BY HAND

Gary Phillips\*  
Common Carrier Bureau  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 544  
Washington, D. C. 20554

David Krech\*  
Common Carrier Bureau  
Federal Communications  
Commission  
1919 M Street, N. W.  
Room 500  
Washington, D. C. 20554

James R. Keegan, Chief\*  
Domestic Facilities Division  
Federal Communications  
Commission  
2025 M Street, N. W.  
Room 6010  
Washington, D. C. 20554

INTERNATIONAL TRANSCRIPTION\*  
SERVICE, INC. (ITS)  
1919 M Street, N. W.  
Room 246  
Washington, D. C. 20554

The Honorable Togo D. West, Jr.  
Secretary of the Army  
The Pentagon  
Washington, D. C. 20310

The Honorable Jon H. Dalton  
Secretary of the Navy  
The Pentagon  
Washington, D. C. 20350

Governor Pete Wilson  
Office of the Governor  
State Capitol  
Sacramento, CA 95814

James S. Blaszk  
Patrick J. Whittle  
Gardner, Carton & Douglas  
Attorneys for AD HOC  
TELECOMMUNICATIONS USERS  
COMMITTEE  
1301 K Street, N. W.  
Suite 900, East Tower  
Washington, D. C. 20005

Stuart F. Feldstein  
Matthew D. Emmer  
FLEISCHMAN AND WALSH  
Attorneys for CENTURY  
COMMUNICATIONS CORPORATION  
1400 16th Street, N. W.  
Washington, D. C. 20036

James K. Hahn, City Attorney  
Pedro B. Echeverria,  
Senior Assistant City Attorney  
Edward J. Perez  
Assistant City Attorney  
CITY OF LOS ANGELES, CALIFORNIA  
Room 1800, City Hall East  
200 North Main Street  
Los Angeles, California 90012

Brenda L. Fox  
Michael S. Schooler  
Suzanne M. Perry  
DOW, LOHNES & ALBERTSON  
Attorneys for  
CABLEVISION INDUSTRIES, INC.  
COMCAST CABLE COMM., INC.  
1255 - 23rd Street, N. W.  
Suite 500  
Washington, D. C. 20037

Werner K. Hartenberger  
Laura H. Phillips  
Jane E. Jackson  
Attorneys for COX  
ENTERPRISES, INC.  
1255 Twenty-Third St., N. W.  
Suite 500  
Washington, D. C. 20037

Peter Arth, Jr.  
Edward W. O'Neill  
Mark Fogelman  
Attorneys for the PEOPLE OF  
THE STATE OF CALIFORNIA AND  
THE PUBLIC UTILITIES  
COMMISSION OF THE STATE  
OF CALIFORNIA  
505 Van Ness Avenue  
San Francisco, California 94102

Jeffrey Sisheimer  
Director of Regulatory Affairs  
CALIFORNIA CABLE TELEVISION  
ASSOCIATION  
4341 Piedmont Avenue  
Oakland, California 94611

Kathleen O'Reilly  
510 E. Street, S. E.  
Washington, D. C. 20003

Debra L. Lagapa  
LEVINE, LAGAPA AND BLOCK  
Attorneys for the CALIFORNIA  
BANKERS CLEARING HOUSE AND  
THE COUNTY OF LOS ANGELES  
1200 Nineteenth Street, N. W.  
Suite 602  
Washington, D. C. 20036

Daniel L. Brenner  
David L. Nicoll  
Counsel for the NATIONAL CABLE  
TELEVISION ASSOCIATION, INC.  
1724 Massachusetts Avenue, N. W.  
Washington, D. C. 20036

Alan J. Gardner  
Vice President, Regulatory  
and Legal Affairs  
CALIFORNIA CABLE TELEVISION  
ASSOCIATION  
4341 Piedmont Avenue  
Oakland, California 94611

Frank W. Lloyd  
MINTZ, LEVIN, COHN, FERRIS,  
GLOVSKY, AND POPEO, P.C.  
Attorneys for the CALIFORNIA  
CABLE TELEVISION ASSOCIATION  
701 Pennsylvania Avenue, N. W.  
Suite 900  
Washington, D. C. 20004

Angela J. Campbell  
Citizens Communications Center  
Institute for Public  
Representation  
Georgetown University Law  
Center  
600 New Jersey Avenue, N. W.  
Washington, D. C. 20001

Andrew Jay Schwartzman  
Counsel for  
Media Access Project  
2000 M Street, N. W.  
Washington, D. C. 20036